

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

DAIMLER VANS USA LLC

One Mercedes-Benz Drive
Sandy Springs, GA 30328,

Plaintiff.

V.

FYDA FREIGHTLINER CINCINNATI, INC.

1 Freightliner Drive
Cincinnati, OH 45241.

FYDA FREIGHTLINER COLUMBUS, INC.

1250 Walcutt Road
Columbus, OH 43228,

FYDA FREIGHTLINER PITTSBURGH, INC.

20 Fyda Drive
Canonsburg, PA 15317,

Defendants.

Case No. 22-2910

Judge _____

JURY DEMAND ENDORSED HEREON

COMPLAINT

Plaintiff Daimler Vans USA LLC (“Daimler Vans”), by and through its undersigned counsel, hereby states its claims for declaratory judgment against Defendants Fyda Freightliner Cincinnati, Inc., Fyda Freightliner Columbus, Inc., and Fyda Freightliner Pittsburgh, Inc. (collectively, “Fyda Freightliner”) as follows:

NATURE OF THE ACTION

1. This is a declaratory judgment action, seeking a declaration pursuant to 28 U.S.C. § 2201 that Daimler Vans has met any statutory obligation to “compensate[] the dealer in an amount at least equivalent to the higher of the fair market value of the franchise or portion of the franchise terminated” under 63 Pa. Cons. Stat. § 818.313 and to “pay fair and reasonable

compensation to the new motor vehicle dealer” under Ohio Rev. Code Ann. § 4517.542 after the termination of the Freightliner Sprinter line-make.

PARTIES

2. Daimler Vans is a Delaware limited liability company with its principal place of business at One Mercedes-Benz Drive, Sandy Springs, Georgia 30328-4312. Daimler Vans’ sole member, Mercedes-Benz USA, LLC (“Mercedes”), is also a Delaware limited liability company with its principal place of business at One Mercedes-Benz Drive, Sandy Springs, Georgia 30328-4312. Mercedes’ sole member is Mercedes-Benz North America Corporation, f/k/a Daimler North American Corporation, which is a Delaware corporation with its principal place of business in Michigan.

3. Fyda Freightliner Cincinnati, Inc. (“Fyda-Cincinnati”) is an Ohio corporation with its principal place of business located at 1 Freightliner Drive, Cincinnati, Ohio 45241.

4. Fyda Freightliner Columbus, Inc. (“Fyda-Columbus”) is an Ohio corporation with its principal place of business located at 1250 Walcutt Road, Columbus, Ohio 43228.

5. Fyda Freightliner Pittsburgh, Inc. (“Fyda-Pittsburgh”) is a Pennsylvania corporation with its principal place of business located at 20 Fyda Drive, Canonsburg, Pennsylvania 15317.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction over Daimler Vans’ claims for declaratory judgment pursuant to 28 U.S.C. § 1332, because (i) complete diversity of citizenship exists between Daimler Vans and the Fyda Freightliner entities, and (ii) more than \$75,000 is in controversy. With respect to the amount in controversy, Daimler Vans previously made offers to each of Fyda-Columbus and Fyda-Cincinnati to compensate them, in certain respective amounts,

for the “fair market value” of their respective Freightliner Sprinter franchises under Ohio Rev. Code Ann. § 4517.542. Daimler Vans also previously made an offer to Fyda-Pittsburgh for the “fair market value” of its Freightliner Sprinter franchise under 63 Pa. Cons. Stat. § 818.313. Each of the Fyda Freightliner entities contends that the payments owed to them, respectively, exceeds the amounts that Daimler Vans offered to them by a sum greater than \$75,000.

7. This Court has personal jurisdiction over the Fyda Freightliner entities because their business headquarters and company officers are located in the Southern District of Ohio.

8. This Court is the proper venue for Daimler Vans’ claims for declaratory judgment pursuant to 28 U.S.C. § 1391(b)(2), because a substantial part of the events or omissions giving rise to the claim occurred in the Southern District of Ohio.

FACTS

Daimler Vans’ Termination of Fyda Freightliner’s Right to Sell New Freightliner Sprinters

9. At all relevant times, the Fyda Freightliner entities were authorized Freightliner Sprinter dealers at their truck dealerships in Cincinnati and Columbus, Ohio, and Canonsburg, Pennsylvania, respectively. Each Fyda Freightliner entity had a Daimler Vans Commercial Vehicle Dealer Agreement (collectively, the “Dealer Agreements”), pursuant to which each entity was authorized to sell new Freightliner Sprinters from its respective authorized location.

10. On August 18, 2020, Daimler Vans issued a letter to the Freightliner Sprinter dealer network, including each Fyda Freightliner entity, stating that the distribution of the Freightliner Sprinter was being discontinued, with new vehicle sales to conclude by December 31, 2021.

11. As part of that discontinuation, Daimler Vans later gave each Fyda Freightliner entity a formal written notice of termination.

12. Daimler Vans initially sent formal written notices of termination to each of Fyda-Cincinnati and Fyda-Columbus in December 2020, in accordance with Ohio Rev. Code Ann. § 4517.541. However, due to delays in the delivery of such notices, Daimler Vans issued amended notices to each, informing them that the termination of their respective Dealer Agreements would be effective February 28, 2022. In so doing, Daimler Vans complied with the notice procedures by which a distributor (such as Daimler Vans) may cancel its Ohio dealers' franchises for a particular line-make when that line-make is discontinued, including as set forth in Ohio Rev. Code Ann. § 4517.541.

13. In the written notice to Fyda-Pittsburgh, Daimler Vans specified that the termination of its Dealer Agreement would be effective December 31, 2021. Such notice also authorized Fyda-Pittsburgh to continue performing certain service- and parts-related operations, as set forth therein, through December 31, 2026. In so doing, Daimler Vans complied with the notice procedures by which a distributor (such as Daimler Vans) may cancel its Pennsylvania dealers' franchises for a particular line-make when that line-make is discontinued, including as set forth in 63 Pa. Cons. Stat. § 818.313.

14. In December 2021, Daimler Vans sent each Fyda Freightliner entity a "Freightliner Sprinter Commercial Vehicle Service and Parts Agreements Offer," which, if accepted either by signature or performance, authorized each of the Fyda Freightliner entities to continue providing warranty service and replacement parts at their respective authorized locations, under the terms of their respective Dealer Agreements, through December 31, 2026.

15. Since December 31, 2021, Fyda-Pittsburgh has continued to provide warranty service and replacement parts at its authorized location. Since February 28, 2022, Fyda-Cincinnati and Fyda-Columbus have continued to provide warranty service and replacement parts at their

respective authorized locations. Accordingly, each of the Fyda Freightliner entities has accepted their respective Freightliner Sprinter Commercial Vehicle Service and Parts Agreements Offer.

16. Therefore, as of the filing of this Complaint, Daimler Vans has terminated only the Fyda Freightliner entities' rights under their respective Dealer Agreements to sell new Freightliner Sprinters from their respective authorized locations.

Daimler Vans' Compensation to Fyda Freightliner Arising from the Termination

17. The Western District of Wisconsin recently determined that the Freightliner Sprinter is its own line-make, and that such line-make has been withdrawn. On December 8, 2020, a different Freightliner Sprinter dealer, River States Truck and Trailer, Inc. ("River States"), filed a lawsuit against Daimler Vans and Mercedes in the Western District of Wisconsin, alleging, in relevant part, that it had franchises for a "Sprinter line-make" that were wrongfully terminated. *See River States Truck and Trailer, Inc. v. Daimler Vans USA LLC*, 3:20-cv-01089-jdp (W.D. Wis.) (the "River States Action"). In May 2022, the court in the River States Action dismissed the lawsuit on Daimler Vans and Mercedes' motion for summary judgment. In granting that motion, the court stated that "Daimler Vans franchised River States to sell Freightliner Sprinters, which are part of a separate line-make than the Mercedes-Benz Sprinters distributed by Mercedes. The discontinuation of the Freightliner Sprinter constituted a line-make withdrawal under the Wisconsin Motor Vehicle Dealer Law, which brings the termination of River States' dealer agreements under [Wis. Stat.] § 218.0132, not [Wis. Stat.] § 218.0116." *River States Truck and Trailer, Inc. v. Daimler Vans USA LLC*, 3:20-cv-01089-jdp, 2022 WL 1618780, at *9 (W.D. Wis. May 23, 2022). Wis. Stat. § 218.0132 is Wisconsin's line-make withdrawal provision; Wis. Stat. § 218.0116 addresses, among other things, unlawful terminations. By holding that the River States termination falls under Wis. Stat. § 218.0132 and not § 218.0116, the *River States* court further

settled pre-existing law around the country on what constitutes a vehicle line-make, further settled that such law requires the Freightliner Sprinter to be recognized as its own line-make, and further settled that the discontinuation of the Freightliner Sprinter is a permissible line-make withdrawal authorized under applicable state law.

18. Similarly, the Southern District of Ohio has also already determined that the Freightliner Sprinter is its own line-make as a matter of law in both Ohio and Pennsylvania, and that such line-make has been withdrawn. On October 19, 2021, the Fyda Freightliner entities filed a lawsuit against Daimler Vans and Mercedes in the Southern District of Ohio, alleging, in relevant part, that it had franchises for a “Sprinter line-make” that were wrongfully terminated. *See Fyda-Freightliner Cincinnati, Inc. v. Daimler Vans USA LLC*, 2:21-cv-5077 (S.D. Ohio) (the “Fyda Freightliner Action”). In June 2022, the court in the Fyda Freightliner Action dismissed the lawsuit on Daimler Vans and Mercedes’ motion to dismiss. In granting that motion, the court gave preclusive effect to a prior decision by the Ohio Motor Vehicle Dealers Board, in a case involving Fyda Freightliner, that the Freightliner Sprinter and Mercedes-Benz Sprinter are different line-makes. Because the line-make issue had already been settled in that prior litigation, the Southern District of Ohio found that Fyda Freightliner failed to state claims for relief under either Ohio or Pennsylvania law. *Fyda Freightliner Action*, 2022 WL 2073394, *6-7 (S.D. Ohio June 9, 2022).

19. Daimler Vans completed the termination of Fyda-Cincinnati’s and Fyda-Columbus’s respective rights under their respective Dealer Agreements to sell new Freightliner Sprinters in a manner that complies with applicable law, including Ohio Rev. Code Ann. § 4517.541.

20. Daimler Vans completed the termination of Fyda-Pittsburgh's rights under its Dealer Agreement to sell new Freightliner Sprinters in a manner that complies with applicable law, including 63 Pa. Cons. Stat. § 818.313.

21. Ohio Rev. Code Ann. § 4517.542(A)(6)(a) provides, under circumstances such as these, that the dealer should be compensated "fair market value of the franchise that is at least equivalent to the fair market value of the franchise on the day before the manufacturer announces the action that results in termination, cancellation, discontinuance, or renewal." Similarly, 63 Pa. Cons. Stat. § 818.313(a)(2)(ii) provides, under circumstances such as these, for the manufacturer or distributor to "compensate[] the dealer in an amount at least equivalent to the higher of the fair market value of the franchise or portion of the franchise terminated or failed to be renewed on the date the manufacturer or distributor announces the act that results in the termination or nonrenewal of the franchise or the date on which the notice of termination or nonrenewal of the franchise is issued."

22. Daimler Vans satisfied the payment-related provisions of Ohio Rev. Code Ann. § 4517.542(A)(6)(a) as to Fyda-Cincinnati and Fyda-Columbus on May 4, 2022. On that date, Daimler Vans offered, to Fyda-Cincinnati and Fyda-Columbus, respectively, payments intended to more than compensate each entity for "the fair market value of [its Freightliner Sprinter] franchise." Daimler Vans satisfied the payment-related provisions of 63 Pa. Cons. Stat. § 818.313 as to Fyda-Pittsburgh on March 29, 2022 when it offered a payment intended to compensate it for "the fair market value of [its Freightliner Sprinter] franchise."

23. Daimler Vans offered each of the Fyda Freightliner entities compensation that is more than the fair market value of their respective Freightliner Sprinter franchises.

24. The Fyda Freightliner entities claim that Daimler Vans has not satisfied the fair market value payment requirements of Ohio Rev. Code Ann. § 4517.542 and 63 Pa. Cons. Stat. § 818.313.

COUNT I: DECLARATORY JUDGMENT UNDER OHIO REV. CODE ANN.
§ 4517.542(G) AND 28 U.S.C. § 2201
(against Fyda-Cincinnati)

25. Daimler Vans hereby incorporates by reference the allegations contained in the preceding paragraphs as if fully stated herein.

26. Daimler Vans' May 4, 2022 payment offer is more than sufficient to compensate Fyda-Cincinnati for the "fair market value of [its Freightliner Sprinter] franchise."

27. However, Daimler Vans and Fyda-Cincinnati cannot agree on the amount of compensation to be paid under Ohio Rev. Code Ann. § 4517.542. Ohio Rev. Code Ann. § 4517.542(G) provides, in relevant part, that "Disputes arising between a manufacturer or distributor and a new motor vehicle dealer under this section and section 4517.541 of the Revised Code shall be resolved by submitting the dispute to . . . a court of competent jurisdiction." Daimler Vans therefore has a ripe claim for declaratory judgment regarding the amount of compensation due to Fyda-Cincinnati under Ohio Rev. Code Ann. § 4517.542.

28. Because this Court has jurisdiction and is a proper venue, this Court is a "court of the United States" (as that phrase is used in 28 U.S.C. § 2201(a)) that can hear Daimler Vans' claim for declaratory judgment that Daimler Vans' offer to Fyda-Cincinnati on May 4, 2022 is sufficient to compensate Fyda-Cincinnati for the fair market value of its Freightliner Sprinter franchise under Ohio Rev. Code Ann. § 4517.542, such that Daimler Vans' offer is sufficient compensation to Fyda-Cincinnati for withdrawing a line-make under Ohio Rev. Code Ann. § 4517.542.

COUNT II: DECLARATORY JUDGMENT UNDER OHIO REV. CODE ANN.
§ 4517.542(G) AND 28 U.S.C. § 2201
(against Fyda-Columbus)

29. Daimler Vans hereby incorporates by reference the allegations contained in the preceding paragraphs 1 through 24 as if fully stated herein.

30. Daimler Vans' May 4, 2022 payment offer is more than sufficient to compensate Fyda-Columbus for the "fair market value of [its Freightliner Sprinter] franchise."

31. However, Daimler Vans and Fyda-Columbus cannot agree on the amount of compensation to be paid under Ohio Rev. Code Ann. § 4517.542. Ohio Rev. Code Ann. § 4517.542(G) provides, in relevant part, that "Disputes arising between a manufacturer or distributor and a new motor vehicle dealer under this section and section 4517.541 of the Revised Code shall be resolved by submitting the dispute to . . . a court of competent jurisdiction." Daimler Vans therefore has a ripe claim for declaratory judgment regarding the amount of compensation due to Fyda-Columbus under Ohio Rev. Code Ann. § 4517.542.

32. Because this Court has jurisdiction and is a proper venue, this Court is a "court of the United States" (as that phrase is used in 28 U.S.C. § 2201(a)) that can hear Daimler Vans' claim for declaratory judgment that Daimler Vans' offer to Fyda-Columbus on May 4, 2022 is sufficient to compensate Fyda-Columbus for the fair market value of its Freightliner Sprinter franchise under Ohio Rev. Code Ann. § 4517.542, such that Daimler Vans' offer is sufficient compensation to Fyda-Columbus for withdrawing a line-make under Ohio Rev. Code Ann. § 4517.542.

COUNT III: DECLARATORY JUDGMENT UNDER 63 PA. CONS. STAT. § 818.313(c)
AND 28 U.S.C. § 2201
(against Fyda-Pittsburgh)

33. Daimler Vans hereby incorporates by reference the allegations contained in the preceding paragraphs 1 through 24 as if fully stated herein.

34. Daimler Vans' March 29, 2022 payment offer is more than sufficient to compensate Fyda-Pittsburgh for the "fair market value of [its Freightliner Sprinter] franchise."

35. However, Daimler Vans and Fyda-Pittsburgh cannot agree on the amount of compensation to be paid under 63 Pa. Cons. Stat. § 818.313. 63 Pa. Cons. Stat. § 818.313(c) provides, in relevant part, that "Any dispute arising between a manufacturer or distributor and a dealer under this section involving the determination of the fair market valuation of a franchise shall be determined by a court of competent jurisdiction" Daimler Vans therefore has a ripe claim for declaratory judgment regarding the amount of compensation due to Fyda-Pittsburgh under 63 Pa. Cons. Stat. § 818.313.

36. Because this Court has jurisdiction and is a proper venue, this Court is a "court of the United States" (as that phrase is used in 28 U.S.C. § 2201(a)) that can hear Daimler Vans' claim for declaratory judgment that Daimler Vans' offer to Fyda-Pittsburgh on March 29, 2022 is sufficient to compensate Fyda-Pittsburgh for the fair market value of its Freightliner Sprinter franchise under 63 Pa. Cons. Stat. § 818.313, such that Daimler Vans' offer is sufficient compensation to Fyda-Pittsburgh for withdrawing a line-make under 63 Pa. Cons. Stat. § 818.313.

PRAYER FOR RELIEF

WHEREFORE, Daimler Vans prays for the following relief:

37. A declaration that Daimler Vans' offer to Fyda-Cincinnati on May 4, 2022 is sufficient to compensate Fyda-Cincinnati for the fair market value of its Freightliner Sprinter franchise under Ohio Rev. Code Ann. § 4517.542, such that Daimler Vans' offer is sufficient

compensation to Fyda-Cincinnati for withdrawing a line-make under Ohio Rev. Code Ann. § 4517.542; and

38. A declaration that Daimler Vans' offer to Fyda-Columbus on May 4, 2022 is sufficient to compensate Fyda-Columbus for the fair market value of its Freightliner Sprinter franchise Ohio Rev. Code Ann. § 4517.542, such that Daimler Vans' offer is sufficient compensation to Fyda-Columbus for withdrawing a line-make under Ohio Rev. Code Ann. § 4517.542;

39. A declaration that Daimler Vans' offer to Fyda-Pittsburgh on March 29, 2022 is sufficient to compensate Fyda-Pittsburgh for the fair market value of its Freightliner Sprinter franchise under 63 Pa. Cons. Stat. § 818.313, such that Daimler Vans' offer is sufficient compensation to Fyda-Pittsburgh for withdrawing a line-make under 63 Pa. Cons. Stat. § 818.313; and

40. For such other and further relief as the Court deems just and proper.

Dated: July 22, 2022

Respectfully submitted,

/s/ Catherine L. Strauss

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JURY DEMAND

Plaintiff demands a trial by jury on all issues so triable.

/s/ Catherine L. Strauss

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